



April 19, 2006

**BY ELECTRONIC FILING**

Marlene M. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**Re: WC Docket 05-261 Notification of an *Ex Parte* Meeting**

Dear Ms. Dortch:

Fones4All Corporation ("Fones4All"), by counsel hereby gives notice pursuant to the Commission's rules, 47 C.F.R. Sec. 1.1206(b)(1) that the undersigned counsel conducted an *ex parte* meeting with Commissioner Deborah Taylor Tate; Dana Shaffer, Legal Advisor; and Aaron Goldberger, Legal Advisor regarding the above referenced dockets. The parties discussed the Fones4All Forbearance Petition and how the public interest would be served by granting the petition.

If any questions should arise regarding this notice, please contact me at 202-857-4479.

Respectfully submitted,

Ross A. Buntrock  
*Counsel to Fones4All Corporation*

cc: Commissioner Deborah Taylor Tate (via electronic mail)  
Dana Shaffer (via electronic mail)  
Aaron Goldberger (via electronic mail)



**Fones4All Corp.**

**Petition for Expedited Forbearance  
WC Docket 05-261**

**Ross Buntrock, Womble Carlyle  
April 18, 2006**

# Overview



- Company Overview
- Procedural Background
- The Record Is Complete And Demonstrates That The Forbearance Criteria Are Met
- Conclusion

# Company Overview



- Fones4All is a California-based CLEC focused on low income single line residential customers who qualify for Lifeline.
- Uses outreach methods recommended by the Joint Board and adopted by the Commission.
- Today Fones4All serves approximately 80,000 single line residential Lifeline customers in California.
- Fones4All reaches out to low income consumers who have never before had telephone service, most of whom have been ignored or overlooked by others.

# Company Overview



- Fones4All is in the midst of deploying its own network, but without access to ULS will need to pull out of wire centers where it does not have a critical mass of customers to warrant facilities.
- In 2005 Fones4All attempted to negotiate “commercial agreements” with AT&T and Verizon but terms were onerous and would have effectively eliminated the transition period provided in TRRO; also would have required withdrawal of the Forbearance Petition.
- Fones4All continues to wrestle with AT&T as their tactics become increasingly brazen and anti-competitive.

# Procedural Background



- Fones4All filed Forbearance Petition on July 1, 2005; initial comments filed October 14, 2005, replies November 14, 2005 with limited CLEC participation in proceeding because commercial agreements containing gag clauses precluded participation, as confirmed by CompTel.
- Only oppositions were filed by BellSouth, SBC, USTA and Verizon.
- As CompTel and Fones4All noted in Replies, every other carrier interested in supporting the Petition is precluded from participating in this proceeding by gag provisions of “commercial agreements” signed with Bells.
- Community groups representing over 1.5 million recent immigrants and a number of CBOs support the Petition.
- Fones4All filed Petition for Interim Waiver on February 24, 2006 asking the Commission to delay final implementation of TRRO revised 51.319(d) pending action on the Forbearance Petition.



# The Record Is Complete And Demonstrates That The Forbearance Criteria Are Met

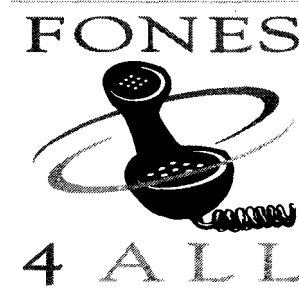
- Fones4All has demonstrated that:
  - Section 51.319(d) of Commission's rules is not necessary to prevent unjust or unreasonable discriminatory treatment of telecommunications carriers,
  - Section 51.319(d) of Commission's rules is not necessary to protect the interests of telecommunications consumers, and
  - that forbearance from Section 51.319(d) as it pertains to carriers using it for the sole purpose of providing Lifeline service is in the public interest
- 47 U.S.C. § 160(a) allows the Commission to exercise forbearance authority with respect to "*any regulation or any provision*" for which it determines the forbearance criteria are met, as they are here.



# The Record Is Complete And Demonstrates That The Forbearance Criteria Are Met

- In *TracFone* the Commission concluded that it “must consider whether forbearance...will promote competitive market conditions. If the Commission determines that such forbearance will promote competition among providers of telecommunications services, that determination may be the basis for a Commission finding that forbearance is in the public interest.”
- The record shows that grant of the Petition will promote competition in the Lifeline market.
- The record is complete and the Commission has all of the evidence it needs to immediately grant the Petition.

# Conclusion



- As Commissioner Abernathy recognized in the TracFone Order, “it is essential that we take all possible steps to ensure that low-income users are not barred from utilizing available support on the basis of the specific technologies they wish to use or the specific business plans pursued by their service providers.”
- The Commission should grant the Fones4All Forbearance Petition as part of its commitment to take all possible steps to ensure that low-income users are not barred from utilizing available support on the basis of the specific technologies they wish to use or the specific business plans pursued by their service providers.

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March 1, 2006

VIA ELECTRONIC MAIL- [lifeline@fcc.gov](mailto:lifeline@fcc.gov)

Lauren Patrich  
Office of Intergovernmental Affairs  
Federal Communications Commission  
445 12th Street SW  
Washington, DC 20554

Re: Response of Fones4All to Working Group on Lifeline and Link-Up Telephone  
Services Regarding Information on Effective Outreach to Low-Income Consumers

Dear Ms. Dortch:

Fones4All Corporation ("Fones4All") respectfully submits via electronic mail the  
attached Response to the Working Group on Lifeline and Link-Up Telephone Services Request  
for Information on Effective Outreach to Low-Income Consumers.

Please contact the undersigned if questions arise regarding this filing.

Sincerely,

Ross A. Buntrock  
*Counsel to Fones4All Corporation*

cc: Chairman Martin  
Commissioner Copps  
Commissioner Adelstein  
Commissioner Tate  
Thomas Navin, Bureau Chief  
Sam Feder, General Counsel

Michelle Carey, Senior Legal Advisor  
Jessica Rosenworcel, Legal Advisor  
Scott Bergmann, Legal Advisor for Wireline Issues  
Dana Shaffer – Wireline Legal Advisor

**FONES4ALL CORPORATION RESPONSE TO WORKING  
GROUP ON LIFELINE AND LINK UP REQUEST FOR INFORMATION  
REGARDING EFFECTIVE OUTREACH TO LOW-INCOME CONSUMERS**

Pursuant to the Commission's January 10, 2006 Public Notice in which the Lifeline/Link-Up Working Group's ("Working Group") requested input regarding the most effective ways to enhance consumer awareness of Lifeline and/or Link-Up telephone services, Fones4All Corporation ("Fones4All" or the "Company"), by counsel, hereby submits these answers to the Working Group's questions.

**I. BACKGROUND**

Fones4All is a competitive local exchange carrier ("CLEC") based in Woodland Hills, California whose focus is to provide basic local telephone service to low income end users who qualify for universal service support. In mid-2003, following the California Public Utilities Commission's ("CPUC") adoption of UNE-P rates for SBC and Verizon that made it economically feasible to do so, Fones4All began marketing single line basic local residential telephone service to end-users in California who qualify for universal service subsidies, including Lifeline. Over the last several years Fones4All has developed innovative, multi-faceted, grass-roots marketing efforts similar to the methods recommended by the Joint Board and adopted by the Commission its recent universal service order, including use of targeted advertising, mailings, and a presence in places where low-income eligible consumers are likely to frequent, including government aid agencies and public transportation outlets.<sup>1</sup> In fact, the success of Fones4All's

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<sup>1</sup> See *Report and Order and Further Notice of Proposed Rulemaking*, WC Docket 03-109, FCC 04-87 at Appendix K (2004) ("*April 2004 Universal Service Order*") : "The first recommended guideline is that states and carriers should utilize outreach materials and methods designed to reach households that do not currently have telephone service. States or carriers may wish to send regular mailings to eligible households in the form of letters or brochures. Posters could be placed in locations where low-income individuals are likely to visit, such as shelters,

outreach programs led the state universal service marketing board in California to seek information regarding Fones4All's methods. Fones4All has been effective because it seeks out universal service eligible households where they live and work, and educates them about the availability of subsidized telephone service. Since Fones4All first began its intensive marketing efforts, the company has provisioned single line residential service to approximately 80,000 low income households, the vast majority of whom had never before received basic wireline telephone service. In the absence of Fones4All's efforts, these low income consumers, in all likelihood, would have remained without the knowledge that subsidized POTS service was available to them and would have continued to struggle without one of the most basic of tools of modern life: a telephone to call an ambulance, a child's school, or a potential employer. Instead, these low income consumers would likely have no phone service at all unless they purchased overpriced pre-paid service from any number of unscrupulous pre-paid providers who prey upon low income, credit challenged consumers. Fones4All is dedicated to serving low-income consumer in the respectful and customer centric way they deserve. Accordingly, Fones4All is eager to work with the Commission and the Working Group to improve outreach methods used by all carriers. Set forth below, in response to the Working Group's inquiries, are Fones4All's responses.

## **II. SUCCESS OF OUTREACH/MEASURING SUCCESS**

Fones4All has been successful in its outreach efforts because Fones4All seeks out potential Lifeline customers where they live and work. Since its inception, Fones4All's main vehicle to communicate information regarding the Lifeline program to potential low-income

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soup kitchens, public assistance agencies, and on public transportation. Multi-media outreach approaches could be utilized such as newspaper advertisements, articles in consumer newsletters, press releases, radio commercials, and radio and television public service announcements."

consumers has been through the use of field agents, many of whom were low-income individuals enrolled in the Lifeline program themselves. In a sophisticated, targeted and coordinated fashion, utilizing mapping software and field teams, Fones4All field agents canvass their neighborhoods, going door-to-door to educate consumers about the Lifeline program. Today, Fones4All has over 40 field agents, who together have been responsible for signing up in excess of 40,000 new Lifeline subscribers.

In 2005, as a result of valuable information obtained from actual Lifeline customer surveys, Fones4All concluded that a broader outreach method would be useful. That broader method turned out to be thirty minute "infomercials" that explain in detail in their native language the benefits and eligibility requirements to an ever growing Hispanic population base that generally does not understand how the program works. These programs are aired on local Spanish broadcast channels in both television and radio markets catering to Hispanics in California. The programs are presented by a very well recognized Hispanic radio celebrity who has become Fones4All's spokesperson. During the course of the infomercial, the spokesperson answers every potential question a potential Lifeline user may have, and explains in detail how the program works. If a viewer has additional questions they are directed to call a special Fones4All toll free number. Last year Fones4All aired 58 half-hour television programs, 53 half-hour radio programs and 200 sixty-second radio spots. During 2006, Fones4All infomercial campaign will continue with twice the number of spots in each medium.

### **III. CURRENTLY AVAILABLE INFORMATION**

All Fones4All customer service representatives are trained to provide telephonic assistance to callers regarding Lifeline and Link-Up service through carefully developed scripts that have evolved over the last 5 years. In addition, information regarding the program is

available on the Fones4All web site. In addition to these resources, Fones4All produces tens of thousands of informational brochures and fliers which used in the door-to-door canvassing conducted by agents, as well distributed at grass-roots community events where Fones4All has a presence.

#### **IV. JOINT OUTREACH**

Fones4All has sought out and entered into partnership arrangements with non-profit organizations that cater to the populations likely to contain a large number of potential Lifeline eligible members, such as elderly and low-income families. For example, Fones4All reaches the elderly through relationships with organizations like the Pasadena Senior Center, an independent non-profit that helps elderly people live independent lives. Fones4All reaches low-income families through organizations such as The Sycamores, an organization that assists families with troubled youth in "transitional" living solutions. Fones4All conducts outreach activities at these centers in-person and provides Lifeline applications, as well as informational brochures that explain the Lifeline program.

Fones4All also conducts ethnic based outreach. For example, Fones4All is currently working with a Hispanic organization called "Federacion de Clubes Jaliscienses." Formed in 1990, the Federation is a voluntary philanthropic grass roots civic organization representing over 50 member clubs that provide social services to recent immigrants to Los Angeles from Jalisco, Mexico. Affiliated with the Mexican Consulate in Los Angeles, the Federation represents over 1 million émigrés from the Mexican state of Jalisco who now live and work in metropolitan Los Angeles. The Federation, along with more than 30 other similar Mexican federations, operate in concert with the Mexican Consulate to assist native-born Mexicans with transition from their home state to their new homes in the United States by providing basic social services, conducting

philanthropic projects in Jalisco, such as providing ambulances and funding for orphanages, and providing news and information to members about how to obtain basic services and utilities in California, including telephone service, as well as informing members of the availability of public programs like the Lifeline program. In addition to this, Fones4All has been actively involved for the last two years in sponsoring Hispanic massive grassroots events such as the "Fiesta Broadway Show" and the "Mexican Independence Day" celebrations, each drawing crowds in excess of 200,000 people. Fones4All is a main sponsor of these events, and distributes upwards of 100,000 flyers and brochures communicating the existence of the Lifeline program. Fones4All personnel attend these events and sign-up potential qualifying subscribers on the spot.

## **V. CHALLENGES AND OBSTACLES**

The Commission's recent imposition of income verification requirements will undoubtedly have an impact on the effectiveness of Fones4All's outreach efforts once those requirements are effective in California on July 1, 2006. Verifying the income of potential Lifeline/Link-Up participants in California is particularly challenging in light of the State's large population of undocumented immigrants. The number of unauthorized migrants living in the U.S. is approximately 10.3 million and represents about 29 percent of the 36 million foreign born U.S. residents. For example, Mexicans make up by far the largest group of undocumented migrants at 5.9 million (57%) and California is home to approximately 24% of the of them.<sup>2</sup> Furthermore, many new immigrants in California do not have a Social Security number, a bank account, a credit record, or in many cases a fixed address, one of which is usually required in order to verify income. Fones4All will keep the Working Group apprised of these impacts as they become apparent in the coming months.

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<sup>2</sup> Pew Hispanic Center Report: Estimates of the Size and Characteristics of the Undocumented Population, Jeffrey S. Passel, Mar. 21, 2005.

## VI. OVERALL RECOMMENDATIONS

The lesson of Fones4All's success in conducting outreach to low-income consumers is that the Commission and the Working Group should take all necessary and appropriate steps to encourage competition among carriers in the market for Lifeline and Link-Up services. Since its inception, Fones4All has been dedicated to providing high quality services to low-income consumers, unlike most other traditional carriers, for whom the low income market is one to be avoided. Today Fones4All is in the marketplace providing a competitive alternative for basic wireline telephone service to approximately 80,000 Lifeline eligible consumers, over 90% of whom who were identified by Fones4All using the innovative methods recommended by the Joint Board, such as multi-media campaigns using print, TV and radio advertising, advertisements on public transit, and door-to-door canvassing. In addition to the low income customers who are reached through Fones4All's outreach extensive programs, tens of thousands of customers have learned of the availability of Fones4All service through word of mouth from family members and neighbors, a sign of the high quality of service Fones4All provides.

In the *TracFone Order*,<sup>3</sup> the Commission recognized that promotion of competition among providers of telecommunications services to the low income consumers referenced in Section 254(b)(3) of the Act is a significant goal that should be promoted.<sup>4</sup> As Commissioner Abernathy noted in her statement in the *TracFone Order*: "it is essential that [the Commission] take all possible steps to ensure that low income consumers are not barred from using available support on the basis of the specific technologies they wish to use or the specific business plans

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<sup>3</sup> See Order, *In the Matter of Federal State Joint Board on Universal Service and Petition of TracFone Wireless, Inc. for Forbearance From 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket 96-45, FCC 05-165, ¶ 9 (Sept. 8, 2005) ("*TracFone Order*").

<sup>4</sup> *Id.*

pursued by their service providers.”<sup>5</sup> Accordingly the Commission should take all necessary steps to pave the way for competitors to be active participants in the low income market, which will in turn produce more effective and robust outreach efforts.

Respectfully submitted,



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Counsel to Fones4All Corp.

March 1, 2006

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<sup>5</sup> See Statement of Commissioner Kathleen Q. Abernathy, Re: Federal *TracFone* Order In the Matter of Federal State Joint Board on Universal Service and Petition of *TracFone Wireless, Inc.* for Forbearance From 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R § 54.201(i), Order, CC Docket 96-45, FCC 05-165 (Sept. 8, 2005)